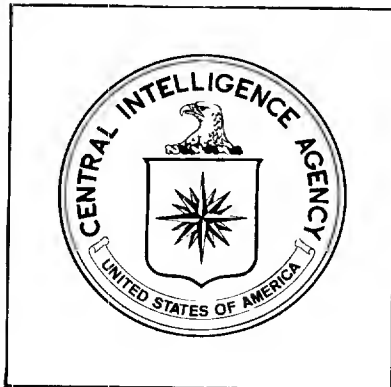


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## STAFF NOTES:

# Latin American Trends

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Cuba: Castro and the Nonaligned

Havana sees serious problems arising in the nonaligned movement, judging from the speeches of the Cubans who addressed the meeting of the movement's coordinating bureau in Havana last week. Although the Cuban spokesmen voiced their criticism of unnamed members of the movement in tactful terms, it is clear that the Castro regime is disillusioned and may even be reconsidering its participation in the movement.

Fidel Castro's speech at the final session of the conference on March 19 closely paralleled Foreign Minister Roa's at the opening session two days earlier. This suggests that in the interim little was accomplished in solving what the Cubans perceive to be one of the movement's most pressing problems: the damage being done to its unity by the failure of the oil-producing members to use their recent profits to assist the nonproducers. Both Castro and Roa diplomatically underscored the "unavoidable duty" of the countries "which have at hand financial surpluses as a result of their oil incomes" to alleviate the economic situation in which the underdeveloped countries now find themselves. Although the two Cuban speakers condemned "imperialism's" use of this very issue to disrupt nonaligned unity, they nonetheless acknowledged by their remarks the validity of the concept obligating the oil producers.

The issue is a particularly sensitive one for Castro because the health of the Cuban economy is linked so closely to the flow of oil from foreign sources. Havana imports over 95 percent of its oil, mostly from the USSR. What especially galls Castro is the oil producers' reinvestment of profits in the US and West Europe; he called strongly for a redirection of these funds to the underdeveloped world in

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the form of credits for development projects. He warned that "to the extent that surplus funds are invested in the developed capitalist world, the oil countries' interests inevitably will be identified with the interests of imperialism" and--perhaps recalling his own confiscation of foreign holdings--the funds themselves will become "the hostages of imperialism."

Castro also warned that "some oil countries, the weakest demographically and militarily, are seriously threatened by an imperialist aggression." He charged the US with training troops for military actions in the desert and cautioned the oil producers not to rule out US military intervention undertaken in desperation. Although this appears to be mainly a useful propaganda line, it probably reflects a genuine concern of the Cuban leadership that the US might resort to military action to ensure its oil supply.

The focusing of so much attention on the responsibility of the oil producers to aid their less fortunate neighbors indicates that Havana has no intention of sweeping the issue under the rug. Castro may view the oil producers' wealth as a potential significant alternative to continued heavy economic dependence on the USSR, and he may interpret the failure of the oil producers to heed his call for aid as a sign that a door is being closed on an important opportunity for his regime. He has not given up hope altogether, however, and undoubtedly will continue to press the issue when the nonaligned meet in Peru later this year.

The US was given rather light treatment in Castro's address. In view of the audience, he could have used the event to direct a barrage of barbs and brickbats toward Washington. His failure to do so may have been caused by his desire to avoid distracting attention from his main theme--criticism of the nonaligned oil producers--but he may also have chosen to moderate his speech in deference to Secretary Kissinger's remarks in Houston

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## LATIN AMERICAN TRENDS

This publication is prepared for regional specialists in the Washington community by the Western Hemisphere Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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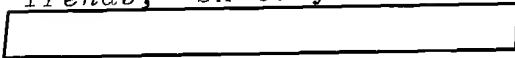
on March 1. Castro does not want to appear to be eager to move toward reconciliation with the US but he clearly does not want to torpedo the idea altogether.

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*NOTE: The item in the March 12, 1975 issue of the Trends, "SA-3s for Cuba?" should be classified*

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Controversy Jeopardizes Canadian Sale of Nuclear  
Reactor to Argentina

Canada's sale of a nuclear power reactor to Argentina is threatened by a dispute over additional safeguard arrangements.

The deadlock in the negotiations reportedly developed because of Ottawa's insistence that strict safeguards be applied to the technology Canada will furnish Argentina, along with the reactor and the natural uranium to fuel it.

In addition to the safeguards provided for by the International Atomic Energy Agency, Argentina is said to be willing to accept special safeguards on the equipment and material that Canada proposes to sell. The Peron government, however, is resisting Canadian efforts to put safeguards on all nuclear material Argentina subsequently processes--even material from other sources--as long as Canadian technology is used.

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Chile: Altamirano Reinterprets The UP's Failure

On September 9, 1973, two days before the overthrow of the popular unity (UP) government by the armed forces, Socialist firebrand Carlos Altamirano told a party rally that "the plotters are not vanquished with words, but with the workers' strength, the communal commandos, and the industrial cordons." Party members responded with shouts of "fight, fight, enough conciliation." They apparently took Altamirano seriously, and it cost some of them their lives. The party suffered devastating damage in the overthrow; since then it has made only minimal progress toward recovery.

Altamirano, however, managed to evade military and police patrols and flee the country. He surfaced in Havana in January 1974 and has since travelled extensively--mostly in Communist and third world countries--explaining what went wrong in Chile and trying to unite exiled opponents of the military government. In recent remarks his explanation of why the popular unity coalition failed has changed significantly.

Altamirano's original thesis was that the UP's defeat was caused by its unwillingness to use force against its enemies. A year ago, for example, he told an Italian newspaper that "the UP's choice of the political-institutional method...ought never to have meant renunciation of the possibility of armed action." Speaking to an Italian Socialist Party rally "for a free Chile" two weeks ago, however, Altamirano cited the UP's failure to broaden the coalition--a move his Socialist faction opposed at the time--as a serious mistake. He also voiced regret over his party's failure to remember the lessons that Lenin taught in his State and Revolution and Extremism, the Infantile Disease of Communism.

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Lenin's works on the aberrations of embryonic revolutionary movements counseled pragmatism, compromise, recognition of the limits of one's own strength, and care in the use of rhetoric lest it provoke enemies before one is ready to deal with them. According to Lenin, allies are to be sought, used, and discarded on a strictly opportunistic basis, since the revolutionary party's ideological purity is not jeopardized as long as it keeps its ultimate goals clearly in mind.

Marxists who repent ignoring Lenin's teachings are often really saying they are sorry for not having heeded Moscow's advice. Altamirano's latest visit to the Soviet Union was in February, and his references to Lenin could mean that he is seeking Moscow's endorsement as de facto leader of the Chilean left in exile. There are however, other explanations for his new line. These include: the fact that Altamirano's extremist image has hurt his standing among the exiles, most of whom regard armed struggle as an unviable strategy; the decimation of the violence-oriented Movement of the Revolutionary Left by government security forces; and the fact that Socialists, both in Chile and in exile, are beginning to rally around Clodomiro Almeyda, the recently released and exiled former foreign minister and leader of the Socialist party's moderate wing.

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#### CORRECTION

Chile: Changes in the Army Hierarchy (March 19 Trends)

General Augusto Lutz is deceased and should not have appeared on the top ten list. General Carrasco should have been listed as CO, V Army Division. Generals Palacios, Carrasco, and Toro should each be moved up a notch. General Nilo Floody--CO, III Army Division, Concepcion--is the tenth ranking general. General Garay is number eleven in the hierarchy.

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Colombia: Church, State, And Political Orthodoxy

On two occasions since his inauguration last August, President Lopez has challenged the Catholic Church and lost. One of the principal platforms of his campaign for office had been the introduction of civil marriage and, by implication, divorce. One of the first bills he sent to the congress was a draft law to recognize civil marriage. Despite Lopez' two-to-one election victory and his party's virtually total control of the congress, the legislators quietly shelved the bill.

More recently, the President appointed a 29-year-old divorcee to the governorship of tiny Risaralda Department. This provoked an immediate protest from two Risaralda bishops that the appointment was "offensive to Christian sentiment." Other members of the Colombian church hierarchy and spokesmen for other conservative groups added their criticism. Lopez attempted to stand by his nominee by refusing to accept her withdrawal. Last week, however, she definitively fled from the spotlight, arguing that the controversy was disrupting her private life.

Lopez's apparent inability to introduce reforms that fly in the face of church tradition--perhaps even his lack of total commitment to such reforms--tends to substantiate a recurrent claim made by political outsiders in Colombia. They argue that the Liberal and Conservative parties represent the country's political main line, that they are virtually indistinguishable from one another in their essential conservatism, and that no outside group can hope for more than a wafer-thin slice of the political pie.

In the case of policies and appointments that are essentially anti-church, it is likely that Lopez is considerably more liberal than the main line. But the rest of his party is not, and Lopez undoubtedly has

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known that all along--just as he could probably have predicted the outcome of the civil marriage bill and the disputed gubernatorial nomination. Perhaps this is Lopez' gesture to the many student, youth, and women's organizations that worked diligently for his election.

A readership poll conducted by Bogota's liberal El Tiempo showed 71 percent against the church's stand in the governorship controversy. Official and private statistics show a decline in church weddings and attendance in general. Increasing numbers of Colombians are traveling to other jurisdictions (the nearest being Ecuador), where civil marriage is legal. Nevertheless, the Liberal-Conservative establishment remains disinclined to take on the church in Colombia, and again invites, as it did during 16 years of lack-luster coalition government, antiestablishmentarian competition. It is difficult to imagine what more Lopez could do to shore up the collapsing political edifice of Colombia's populist third-party leader, Maria Eugenia Rojas de Moreno.

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Ecuador: Subtle Change in the Ball Game

The civilian opposition to President Rodriguez' military government loosed a surprisingly strong media salvo last week. This is the first to be heard from anti-government forces since the coup attempt by General Galo Latorre fizzled on March 11. It is also the first significant press attack on the three-year-old regime.

Respected editorialists Julio Prado and Benjamin Ortiz, among others, zeroed in on events surrounding Rodriguez' recent trip to Algeria, Romania, and Venezuela. They were particularly incensed about the closing of schools and public offices on the day of Rodriguez' return to the country, and the encouragement of students and civil servants to welcome the President home with a grand waving of small flags (thoughtfully provided by the government). The columnists found only slightly less onerous Rodriguez' promotion to major general in absentia, and the inexplicable budgeting of \$600,000 for the 10-day journey.

The initial furor regarding the "spontaneous" demonstration marking Rodriguez' triumphant return home is likely to fade in time in comparison with the promotion and budget issues. The latter appears to be a very cautious suggestion of corruption in high office--a charge heard often in Ecuador, but not yet leveled at the present government. The promotion issue will probably be the longest-lived, however.

Responding to the media attack, particularly that of columnist Prado, the minister of defense took half-page advertisements in most of the country's dailies defending his promotion of Rodriguez and rather recklessly challenging the critics to a debate. Prado immediately accepted, insisting that the public interest would best be served by televising the event and

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laying down no ground rules. Now, of course, if there is no debate, the opposition can refer ad infinitum to the exchange. On the other hand, if there is a debate, the defense minister is likely to fare poorly.

Although the coup attempt earlier this month never got off the ground, it evidently was a significant turning point in what passes for politics in Ecuador these days. This is not likely to inspire the military to return the government to civilian hands. It may, however, fuel the growing sentiment within the armed forces that Rodriguez should step down and another officer, undoubtedly from the army, should try his hand.

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ICFTU's Latin American Regional Organization May  
be Restructured

An International Confederation of Free Trade Unions (ICFTU) delegation composed of the organization's President, Secretary General and top officials of the Mexican and certain West European affiliates--are winding up a two-week "special mission" to Latin America. The main purpose of the trip is to discuss the policies and future of ICFTU's Inter-american Regional Organization of Workers (ORIT) with Latin American affiliates.

ORIT has been in a deep crisis for some time as a result of financial and administrative problems coupled with widespread member dissatisfaction over the organization's policies and general ineffectiveness. In particular, there are sharp differences between ICFTU and ORIT regarding Chile. Various European trade union leaders believe that ORIT has shown insufficient concern over the coup and subsequent developments. There has been considerable pressure on ICFTU to either reorganize or disband ORIT and the leaders of the Mexican, Colombia, Venezuelan, and Argentine affiliates agreed last December to work toward the creation of a new regional organization.

During their visit to Caracas, the ICFTU delegation held substantive talks with local trade unionists and a consensus was reached that the Latin American democratic trade union movement badly needs restructuring in order to give it a new impetus. To this end, it was agreed that representatives of the key ORIT labor centrals--Canada, Mexico, Colombia, Venezuela, and the US--would get together before the ICFTU World Congress in Mexico in October in order to discuss what form the hemispheric organization should take. It was implicit during the discussion

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that the end result of this process might be a simple reform of ORIT, and a replacement of its present leadership, rather than the creation of an entirely new organization.

The Venezuelans had been in the forefront of those pushing for a new organization and their readiness to retain the ORIT structure may result from the fact that the Mexicans have paid up their back dues and an expectation that a Venezuelan would take over the Secretary Generalship as a part of a prospective reorganization.

ICFTU and the Venezuelans also agreed that it is essential that the AFL-CIO and the Canadian union organization should continue to participate in the hemisphere labor organization.

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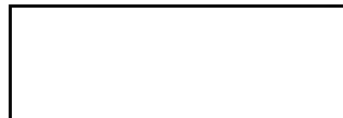
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Trinidad-Tobago: Labor Problems Easing

Both the government and the three unions whose strikes almost completely paralyzed the sugar and oil industries have taken steps to defuse the situation. The government has agreed to meet one of the oilworkers' demands, although the important wage issue remains unresolved. In return, the oil workers permitted deliveries of fuel and gasoline to service stations other than Texaco--with which they are engaged in a contract dispute--in order to ease the severe shortage.

On Saturday, Governor General Sir Ellis Clarke held an unannounced meeting with leaders of the three unions, and both sides apparently were pleased at the results. Prime Minister Eric Williams seems determined not to get personally involved in the dispute. While he thus avoids risking his own prestige, the unions may end up with far more benefits than they would have if he had taken the case for not meeting all labor's demands to the people.



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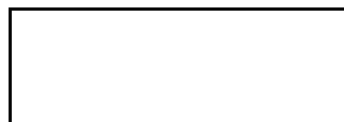


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ANNEX

Panama: The People's Party - A Party in Limbo

*Panama's Communist party--the People's Party --is the only political organization that has been allowed to function under the Torrijos government. For this reason it is worth attention, despite having only a few hundred members and a lackluster political track record. The Latin American Trends offers a synopsis of a recent assessment of the party by US Embassy political officer Robert Homme.*

Since its founding in 1943, the People's Party has had only modest influence and even less popular appeal. Panamanian politics has been more a chronicle of personalities than of ideologies, dominated by political parties designed primarily to serve as the personal vehicles of their leaders. This highly personalistic system, and the ruling elite's abhorrence of communism, precluded active party participation in Panama's political development. Faced with these constraints, Communist objectives were--and largely still are--directed at influencing political trends rather than winning public office.

The causes at hand were traditional socio-economic inequalities and resentment over Panama's position in relation to the United States. This manifestation of nationalism was shared with all political parties, however, and the Communists never monopolized the canal issue.

The party's attempts to exploit the disaffection of groups suffering from social and economic inequalities led it to concentrate on students, workers, and the poor. These efforts had only limited success. Both the rural and urban poor, to the extent they were susceptible to politics, were drawn instead to the authoritarian demagoguery and aggressive nationalism of the charismatic Arnulfo Arias.

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The party, which was outlawed in 1953, did not benefit from the early surge of Panamanian support for the Castro revolution. During the canal riots in 1964, party members were reported to have participated actively in the disturbances and to have attempted to organize and lead the anti-American campaign. Again, however, their success was limited. Nationalistic resentment of the Canal Zone and the US presence there was not a Communist cause alone, and the government retained control of events.

When the military junta seized power in 1968, the party, which had been underground since 1953, found itself in an even worse way. The junta, in the hope of gaining domestic acceptance and quick US support, proclaimed itself anti-Communist and, for good measure, exiled party leaders and jailed sympathizers. Faced with the unpleasant choice between futile covert opposition and frustrating inactivity, the party decided to gamble on Torrijos. It supported him as a "national revolutionary" and declared him a "progressive military leader."

An abortive conservative-backed coup attempted in December 1969 convinced Torrijos that he needed the widest possible support, so the following year he made his deal with the party. Discrimination against party members was ended, Communists with needed talents and experience were permitted to work for the government, party members were allowed to travel abroad, and most important for the party, it was permitted to operate as an organization and to compete for leadership among the public. Torrijos also agreed to approve selected demonstrations by organizations under Communist influence or control and to permit some party publications. In exchange for what amounted to an exemption from the government's ban on all political parties, the Communists committed the party to give active support to the government's actions and policies.

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The party also promised to remain in close touch with the government and to accept guidance and instructions.

This relationship has continued despite numerous trials. The party has made good use of its special status to rebuild its organizational structure, and has placed over 200 members and sympathizers throughout the government bureaucracy, particularly in the ministries of labor, agriculture, and education. The party regained much of its traditional influence among students and dominated the principal student organization, the Federation of Panamanian Students. Last year, however, Torrijos pulled many of the party's student leaders into his own personal camp and thus gained control of the student federation. In the labor field, the Communists dominate the National Confederation of Panamanian Workers. The party also has worked closely with the government's agrarian reform program and has gained a substantial following among peasants.

The party's main dilemma is that in order to gain these advantages, it has become totally dependent on the good will of Torrijos. When it has attempted to take advantage of the relationship, the general has quickly cracked down. He also has a penchant for co-opting talented and ambitious Communists. Such reported former Communist activists and sympathizers as Labor Minister Rolando Murgas and Marcelino Jaen, head of the National Legislative Commission--who is also Torrijos' brother-in-law--while still clearly holding leftist views, are to all appearances loyal to Torrijos. They do not appear to submit to party discipline or hold the party leadership in much regard.

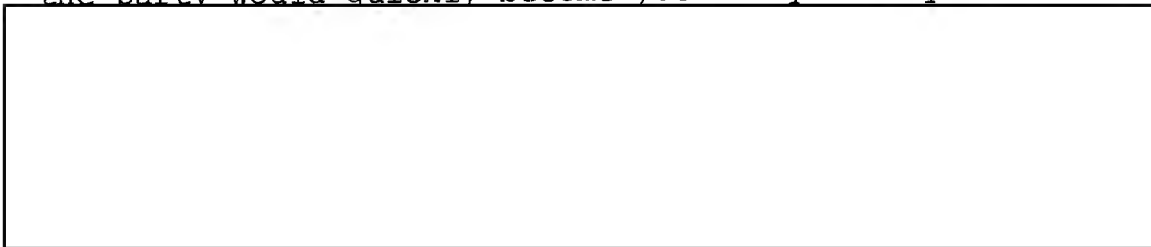
The party also is in danger of being outflanked on the left. Small radical student groups, principally the Revolutionary Student Front, condemn the party's pro-Torrijos stance. Peking-line groups, while still minuscule, could eventually challenge the party for young recruits.

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The party's principal opportunity to advance its participation in Panama's affairs would be a crisis that forced Torrijos to seek its assistance. It possesses the ability, under such circumstances, to marshal sizable public demonstrations of support. In the near term, the issues with most crisis potential are the economy and the canal treaty negotiations. Thus far the Communists have supported him on both issues. Any government moves against the country's vested economic interests would win quick Communist backing, and the party would attempt to push Torrijos toward greater control of the economy.

Torrijos should have no trouble selling the party on a "compromise" canal treaty, and it will help him get the approval of students, labor, peasants, and the media. Should a new agreement provoke a public backlash of major proportions, however, Torrijos may well find himself losing his captive Communist constituency. While at present the People's Party is keeping its bets on Torrijos, should his position ever become untenable, the party would quickly become yesterday's ally.



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